

**Before the State of South Carolina
Department of Insurance**

In the Matter of:

SCDOI File Number 09-1956

Richard H. Bachman

1600 Magpie Cove
Austin, TX 78746

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CONSENT ORDER

Revoking

Nonresident Producer License #370079

This matter comes before me pursuant to an agreement entered into between the State of South Carolina Department of Insurance and Richard H. Bachman, a nonresident producer licensed to transact business in the State of South Carolina.

After careful review of the evidence presented, I find as follows:

FINDINGS OF FACT

1. Richard H. Bachman was licensed as a South Carolina nonresident producer issued license number 370079. This license is currently inactive as of November 4, 2010 when it lapsed for failure to renew.
2. The following actions were taken against Mr. Bachman by insurance departments in other states:
 - Mississippi: April 26, 2010 Cease & Desist From All Insurance Activity. Reason for Action: Unauthorized Insurance Business.
 - North Carolina: February 19, 2009, Revocation. Reason for Action: Demonstrated Lack of Fitness or Trustworthiness.
 - Oklahoma: November 9, 2009, Cease & Desist. Reason for Action: Officer of Bogus Company
 - Oklahoma: March 22, 2010, Cease & Desist. Reason for Action: Failure to Comply with Previous Order, Other States Action.
 - Washington: January 7, 2010, Cease & Desist. Reason for Action: Unauthorized Insurance Business.
3. The following additional actions by other states named Richard H. Bachman among a list of respondents:

- Delaware: April 5, 2010, Cease & Desist Order naming Mr. Bachman as one of the principal officers of the American Trade Association and Smart Data Solutions and offering or selling insurance benefits to residents of the State of Delaware, but not being licensed as an insurance representative of any type in Delaware.
 - Tennessee: March 23, 2010, Verified Petition for Appointment of Receiver for Purposes of Liquidation of Respondents Smart Data Solutions, LLC, American Trade Association, LLC, and Serve America Assurance, Conducting Unauthorized Insurance Company Business.
 - Texas: April 15, 2010, Emergency Cease & Desist ordering the respondents from engaging in the unauthorized business of insurance in the State of Texas.
 - Louisiana: June 7, 2010, Cease & Desist ordering the respondents from engaging in or transacting the unauthorized business of insurance or discount plan in the State of Louisiana.
4. Richard H. Bachman failed to report to the Department any of the above actions by other states.

CONCLUSIONS OF LAW

1. S.C. Code Section 38-43-130(A)(C)(2)(8)(9) provides:

(A) The Director or his designee may place on probation, revoke, or suspend a producer's license after ten days' notice or refuse to issue or reissue a license when it appears that a producer has been convicted of a crime involving moral turpitude, has violated any regulation promulgated by the department, or has willfully deceived or dealt unjustly with the citizens of this State.

(C) The words "deceived or dealt unjustly with the citizens of this State" include, but are not limited to, action or inaction by the producer as follows:

(2) violating insurance laws, or violating any regulation, subpoena, or order of the director or of another state's director or his designee;

(8) using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere;

(9) having an insurance producer license, or its equivalent, denied, suspended, or revoked in another state, province, district, or territory;

2. S.C. Code Section 38-43-247(A) provides:

(A) A producer shall report to the director or his designee any administrative action taken against the producer in another jurisdiction or by another

governmental agency in this State within thirty days of the final disposition of the matter. This report shall include a copy of the order, consent to order, or other relevant legal documents.

3. S.C. Code Section 38-2-10 (2) provides:

If the violator is a person, other than an insurer or a health maintenance organization, licensed by the director or his designee in this State, the director or his designee shall (a) fine the person in an amount not to exceed two thousand five hundred dollars, or (b) suspend or revoke the license of the person, or both. If the violation is willful, the director or his designee shall (a) fine the person in an amount not to exceed five thousand dollars, or (b) suspend or revoke the license of the person, or both.

4. S. C. Code Section 38-43-130 (J) provides:

The director shall retain the authority to enforce the provisions of and impose any penalty or remedy authorized by this chapter and title against any person who is under investigation for or charged with a violation of this title even if the person's license or registration has been surrendered or has lapsed by operation of law.

5. Richard H. Bachman violated the laws of this state and was in violation of Sections 38-43-130 and 38-43-247 when he failed to report to the Department administrative actions against his license in other states that included the unauthorized business of insurance and lack of fitness or trustworthiness.

Prior to the initiation of any administrative proceedings by the Department against Richard H. Bachman the parties agreed to submit the entire matter to me, along with their specific recommendation, for my summary decision, rather than to proceed toward a formal public hearing. The consensual recommendation was that Richard H. Bachman would be allowed to enter into this Consent Order imposing revocation of his nonresident producer's license and would waive his right to a public hearing.

The parties expressly agree and understand that this consent order constitutes full conclusion of this matter. By the signature of Richard H. Bachman upon this consent order, he acknowledges this administrative order as a public record subject to the disclosure requirements of the State of South Carolina's *Freedom of Information Act*, S.C. Code Ann. §§ 30-4-10, *et seq.* (1991 and Supp. 2000).

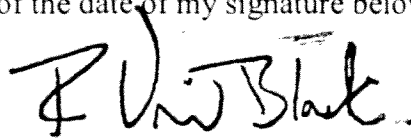
Nothing contained within this administrative order should be construed to limit, or to deprive any person of, any private right of action under the law. Nothing contained within this administrative order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement officer or judicial officer. Nothing contained within this administrative order should be construed to limit the statutory duty, of the Director of Insurance, exercised either directly or through the Department of Insurance, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of

the laws relative to the business of insurance or the provisions of this title which he considers necessary to report." S.C. Code Ann. § 38-3-110 (Supp. 2004).

THEREFORE, it is ordered that Richard H. Bachman's nonresident producer's license shall be revoked.

It is FURTHER ORDERED that the National Association of Insurance Commissioners be immediately be notified of this consent order.

This consent order becomes effective as of the date of my signature below.



David Black
Director of Insurance

Dated this 1st day of March 2011
Columbia, South Carolina

I CONSENT TO THE FOLLOWING ORDER AND WILL COMPLY AS AGREED:



Signature



Printed Name

Title

Richard H. Bachman
1600 Magpie Cove
Austin, TX 78746

Dated this _____ day of March 2011